

SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

920



FROM: Redevelopment Agency

SUBMITTAL DATE:
December 2, 2010

SUBJECT: Exclusive Negotiation Agreement and Pre-Development Loan with Urban Housing Communities LLC

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached Exclusive Negotiation Agreement and Pre-Development Loan (ENA) with Urban Housing Communities LLC;
2. Authorize the Chairman of the Board of Directors to execute said ENA; and
3. Authorize the Executive Director, or designee, to take all necessary steps to implement the ENA, including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND: (Commences on Page 2)

Lisa Brandl for
Robert Field
Executive Director
By Lisa Brandl, Deputy Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 645,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: Redevelopment Low-and Moderate-Income Housing Funds

Positions To Be Deleted Per A-30 ☐
Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY:

Jennifer Sargent
Jennifer Sargent

MINUTES OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: December 14, 2010
xc: RDA, Auditor

Kecia Harper-Ihem
Clerk of the Board

By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: N/A

District: 4

Agenda Number:

4.2

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Page 2

BACKGROUND:

The Redevelopment Agency for the County of Riverside is the current owner of 23.87 acres of vacant land located in the unincorporated community of Thermal, Assessor's Parcel Numbers 751-160-007, 751-016-009, 751-160-012, and 751-160-014. The Agency desires to engage an affordable housing developer to form a public/private partnership with the Agency to develop high quality affordable housing to alleviate blighting condition on the property as set forth in Section 33031 of the California Health and Safety Code. The Agency has selected Urban Housing Communities LLC (Developer).

Developer is proposing to build an affordable housing project for low-income households. The site will be entitled through the County of Riverside Planning Department.

Developer has requested funding assistance in the amount of \$645,000 (Pre-development Loan) for expenses that will be incurred in the entitlement process. Agency and Developer agree to explore and negotiate in good faith pursuant to the terms of the ENA a possible disposition and development agreement or other agreement satisfactory to the Agency. The ENA does not constitute a commitment for conveyance or development of property, nor a promise to enter into a disposition and development agreement.

Redevelopment Agency Low- and Moderate-Income Housing Set-Aside Funds will be utilized for this Pre-development Loan. Developer will process the entitlements and seek other gap financing including, but not limited, to federal and/or state tax credit financing for the development and construction of the project.

Agency Counsel has reviewed and approved the attached ENA. Staff recommends that the Board approve the attached document.

EXCLUSIVE NEGOTIATION AGREEMENT
AND
PRE-DEVELOPMENT LOAN

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (the "Agreement") is entered into as of December 14, 2010 ("Effective Date") by and between the Redevelopment Agency for the County of Riverside, a public body, corporate and politic (the "Agency"), and Urban Housing Communities LLC, a California limited liability company (the "Developer"), on the basis of the following purposes, intentions, and facts:

RECITALS

A. The Agency is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the California Community Redevelopment Law ("CRL"), which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq.); and

B. The Developer is a California limited liability company whose purpose is to acquire, construct, operate and manage residential properties and is an experienced affordable housing developer; and

C. The Agency desires to encourage and effectuate the redevelopment of that certain real property (the "Property") located in Riverside County, California (Assessor Parcel Numbers: 751-160-007; and 751-016-009; and 751-160-012; and 751-160-014), which consists of approximately 23.87 acres and is generally depicted on the map attached hereto and incorporated herein by reference as Exhibit A; and

D. The Agency desires to engage an affordable housing developer to form a public/private partnership with the Agency to develop high quality affordable housing to alleviate blighting condition on the Property as set forth in Section 33031 of the California Health and Safety Code; and

E. Through a competitive process, the Agency selected the Developer as its collaborative developer partner due to, among other things, Developer's extensive experience in the development of affordable housing, sustained history of leveraging multiple funding sources, clear lines of responsibility and working relationships, excellent references, and distinguished property management firm; and

F. The Agency, pursuant to Section 33334.2 of the California Health and Safety Code, wishes to utilize its Low- and Moderate-Income Housing Set-Aside Funds to improve and increase the supply of affordable housing in the unincorporated County of Riverside (hereinafter referred to as "County"); and

G. The County adopted by Ordinance No. 638, on December 23, 1986, a redevelopment plan for an area within the County known as the Desert Communities Project

Area (hereinafter referred to as "Project Area"); and

H. The Property is located within the boundaries of the Project Area; and

I. The Agency endeavors to preserve, protect, improve and increase the affordable housing stock and eliminate blight in the Project Area; and

J. The Project Area is in need of additional housing that is affordable to low and very low income households; and

K. The Agency currently owns the Property, but the Property is leased to Cocopah Nurseries, Inc. for a period of two years from June 9, 2009 pursuant to the terms and conditions of an Agricultural Lease ("Lease"); and

L. The Developer desires the Agency to convey the Property to the Developer for the redevelopment of the blighted Property, through the construction of an affordable housing development (sometimes herein referred to as the "Project"); and

M. The parties desire to enter into this Agreement in order to permit the parties to negotiate the terms and conditions of a Disposition and Development Agreement or such other type of agreement as the parties may deem appropriate to specify the rights and obligations of the parties with respect to the disposition and development of the Property (herein referred to as a "DDA") and to provide Developer a pre-development loan for expenses that will be incurred in analyzing and investigating the development of the Project.

NOW, THEREFORE, the Agency and the Developer hereby mutually agreed as follows:

I. Negotiation

A. Good Faith Negotiations

The Agency and the Developer agree for the Negotiation Period (as hereinafter defined) to negotiate diligently and in good faith to prepare a DDA to be entered into between the Agency and the Developer with respect to the sale and development of the Property. The Agency agrees for the Negotiation Period (and the Extension Period if a DDA is signed and submitted by Developer during the Negotiation Period) not to negotiate with any other person or entity to enter into any agreement regarding the acquisition, disposition or development of the Property. "Good Faith Negotiations" shall mean that the Developer and the Agency shall use their best efforts to communicate frequently and follow reasonable negotiation procedures to develop a DDA mutually acceptable to the Developer and the Agency.

Each of the parties will bear its own costs and expenses, including, but not limited to, attorneys' fees, incurred or to be incurred in connection with negotiating and preparing this Agreement and the DDA and in carrying out the obligations under this Agreement (the "Direct Costs").

B. Period of Negotiations

The Negotiating Period shall be three hundred sixty (360) days, commencing on the Effective Date, subject to extension as provided below. The Negotiating Period may be extended for an additional one hundred eighty (180)-day period by the written mutual agreement by the Agency and the Developer. The Executive Director of the Agency has the authority to agree to an extension on behalf of the Agency, if in the Executive Director's judgment sufficient progress in accomplishing the tasks set forth in Exhibit B and working toward a mutually acceptable DDA has been made during the initial three hundred sixty (360)-day period to merit such extension.

If a DDA has not been executed by the Agency and the Developer by the expiration of the Negotiating Period (as the Negotiating Period may be extended by operation of the preceding paragraph), then this Agreement shall terminate, and neither Party shall have any further rights or obligations under this Agreement; provided, however, that the indemnification obligations pursuant to Section VII shall survive such termination. If a DDA is executed by the Agency and the Developer, then, upon such execution, this Agreement shall terminate and all rights and obligations of the Agency and Developer shall be as set forth in the executed DDA.

C. Developer's Obligations During the Negotiation Period

The Developer shall within the Negotiating Period (and mutually agreed upon extensions):

1. Investigate the projected costs of redeveloping the Property, including the performance of all related on-site and off-site improvements for the Project.
2. Complete the process for the necessary entitlements required for the Project.
3. Developer agrees to participate in all community meetings related to the Project.
4. Prepare and submit to the Agency for its review:
 - a. A preliminary site plan and architectural/design concept for the proposed development of the Project.
 - b. A schedule of the development of all structures and improvements proposed for the Project and an estimate of development costs including hard and soft costs.
 - c. An estimate of Project income and a proforma statement of Project return adequate to enable the Agency to evaluate the economic feasibility of the proposed Project.
 - d. A description of the proposed method of financing and amounts and sources of equity and debt capital.

- e. The Developer shall provide the Agency with copies of all reports, studies, analyses, correspondence and similar documents, prepared or commissioned by the Developer with respect to this Agreement and the Development, promptly upon their completion.
5. The Developer and Agency shall utilize Good Faith Negotiations in negotiating the terms and conditions of a management agreement under which Developer shall manage the Property if the Lease terminates prior to the expiration of the Negotiating Period. Additionally, to the extent not covered in the Lease, and provided that the Agency notifies Developer, the Developer shall perform minor maintenance tasks related to the Property. The Agency shall reimburse the Developer for fees and costs related to its performance of such tasks.

D. Agency's Obligations.

The Agency shall within the Negotiation Period (and any mutually agreed upon extensions):

1. Negotiate exclusively through its staff with the Developer for the redevelopment of the Property;
2. Determine and process, any CEQA documentation required in connection with the sale of the Property to the Developer and the Agency's approval of a DDA, including the fees and expenses of any consultants to the Agency employed in connection with the preparation of the requisite environmental documentation for the proposed Project under CEQA;
3. Deliver to the Developer not later than thirty (30) days of the Effective Date of this Agreement any environmental "Phase I" report or environmental site assessments concerning hazardous materials on the Property, complaints or notices of the presence of hazardous materials on the Property, geological surveys, soils tests, engineering reports, or notices in the possession or control of the Agency or the County regarding the condition of the Property (herein referred to collectively as the "Environmental Reports");
4. Deliver to Developer not later than ten (10) days of the Effective Date of this Agreement any of the following documents related to the Property which are in possession of the Agency:
 - a. Any existing surveys.
 - b. Any government permits, licenses and approvals.
 - c. Any contracts or leases or other agreements relating to the Property or any operations thereon.

3. The Developer shall secure in accordance with the Schedule of Performance to be negotiated as part of the DDA, an amendment to the County's General Plan, a change of zone for the Property and any and all entitlements (other than grading or building permits or approvals which are simply ministerial and nondiscretionary in nature) (the "Entitlements"), which may be required by the County or any other governmental agency affected by construction and development of the Project (the "Governmental Authorities") to allow development of the Project;
4. Other terms and conditions applicable to the DDA are as follows:
 - a. It is understood by the Developer that design and architectural approval by the Agency will be required for the development and that sketches, plans, working drawings, specifications and similar documents will be required to be submitted for approval pursuant to the terms and provisions in the DDA.

B. Pre-Development Loan

In order to permit Developer to make a full analysis and investigation of possible acquisition, financing and development of the Property and in furtherance of its goal to provide safe and affordable housing within the County, effective as of the Effective Date, Agency has agreed to make a pre-development loan to Developer (the "Predevelopment Loan") to facilitate Developer's work relating to the Property and Project, including initiating the process for the necessary entitlements required for the Project. The principal amount of the Predevelopment Loan shall not exceed Six Hundred Forty Five Thousand Dollars (\$645,000). Except upon prior approval of Agency, distributions of funds from the Predevelopment Loan shall only be used by Developer to pay for predevelopment activities listed in Exhibit "C," which is attached hereto and by this reference incorporated herein, provided that the Developer may use any or all of the dollar amount depicted as "Contingency" for any development activity line item that exceeds the amount depicted on Exhibit "C". Prior to Developer incurring any cost not listed in Exhibit "C", Developer shall obtain Agency's written approval. In no event shall Agency be obligated to distribute more than the above referenced Predevelopment Loan amount.

Agency specifically prohibits Developer using Predevelopment Loan funds to reimburse any legal expenses incurred by Developer and any Developer's staffing, administration, and general expenses incurred by Developer.

Any month in which Developer wishes to receive a disbursement, Developer shall submit to Agency an invoice for a portion of the Predevelopment Loan. Such invoice shall (i) describe in detail the predevelopment activities by Developer, including time, materials and amount sought and (ii) include a copy of the any billing and/or advance payment by Developer for any such predevelopment expenses. The invoice shall include copies of all supporting documentation (i.e., invoices, cancelled checks, etc.) to support the request. The invoice shall contain a certification by an authorized representative of Developer specifying that the reimbursement in question is for the work performed in accordance with the terms of the Agreement.

In the event that the Agency and Developer agree to and execute a DDA, and if the provisions of the DDA further obligate the Agency to make a loan to the Developer for the purpose of development, construction and operations of the Property ("Development Loan"), upon execution of the DDA the amount of the then outstanding balance of the Predevelopment Loan shall be credited against any amount which Agency is required to lend Developer pursuant to the Development Loan. Until such time, the Predevelopment Loan shall bear no interest. Upon execution of a DDA, all Predevelopment Loan proceeds then advanced shall bear interest at the rate provided in the DDA for the Development Loan.

If for any reason, other than a default of Developer, a DDA is not executed between Agency and Developer, the Developer shall not be obligated to repay the Predevelopment Loan to Agency. In the case of Developer's default, however, Developer shall be obligated to repay the amount of the Predevelopment Loan to Agency. If applicable provisions hereof excuse the repayment of the Predevelopment Loan, at the time the loan repayment is forgiven Developer's interest and right to use all drawings, specifications, reports, records, surveys, documents, plans, entitlements and other materials prepared by or for Developer in the performance of predevelopment activities pursuant to this Agreement shall be assigned by Developer to Agency, pursuant to an assignment agreement in a form mutually acceptable to Agency and Developer. Developer shall concurrently deliver to Agency a copy of all such materials. Such assignment by Developer to Agency shall be without further payment therefore by Agency.

Disbursements made pursuant to an invoice received by Agency from Developer shall be made promptly within fifteen (15) business days after receipt provided that the invoice otherwise conforms to the terms and conditions of this Agreement. Developer shall not submit an invoice requesting the payment of Pre-development Loan proceeds more frequently than once a month. All predevelopment services shall be rendered by Developer in a timely and diligent manner and within the time set forth on the Schedule of Performance attached to this Agreement as shown in Exhibit "B," which is attached hereto and by this reference incorporated herein.

C. Assignment of Contracts

In addition to the assignment obligation set forth in Section II(B), if applicable provisions hereof excuse the repayment of the Loan, at the time the loan repayment is forgiven, Developer's assignable interest and rights to the following: 1) all construction contracts and subcontracts now or hereafter entered into for the Project, 2) all supply contracts and subcontracts now or hereafter entered into for the Project, 3) all contracts with architects, landscape architects, environmental consultants, geologists, surveyors, engineers, or other development consultants now or hereafter entered into for the Project, 4) all plans, specifications, drawings, data, and studies produced by these architects and development consultants for development of the Project, now or hereafter shall be assigned to Agency by an assignment agreement in a form mutually acceptable to Agency and Developer. Developer shall use its best efforts to cause the third parties to the contracts referenced above for Project work consent to the assignment of these contracts to Agency.

D. Developer's Findings, Determinations, Studies, and Reports

From time-to-time, as reasonably requested by the Agency, the Developer agrees to make oral and written progress reports, advising the Agency on all matters related to the development, including financial feasibility analyses, construction cost estimates, marketing studies, and similar due diligence matters. Should negotiations not result in a DDA between the Agency and the Developer, the Agency may use the information provided by the Developer in any way deemed by the Agency to be of benefit to the Agency.

III. Environmental Requirements

Certain State and local environmental requirements under CEQA may be applicable to the proposed Project. The Agency Board of Directors will consider the DDA upon submission of Agency's successful negotiations with Developer on the term and conditions of DDA. The Agency will act as the "lead agency" under CEQA. Accordingly, the Developer agrees to supply information and otherwise cooperate with the Agency, as requested by the Agency to determine the environmental impact of the proposed Project, and to allow the Agency to prepare such environmental documents as the Agency may determine to be necessary pursuant to CEQA and the Agency's guidelines and procedures.

IV. Assignment

Developer shall not assign all or any part of this Agreement without the prior written approval of the Agency. The Agency agrees to reasonably give such approval if: (1) the change is to a limited partnership, limited liability company or other entity formed for financing, in which the original Developer or an affiliate of the Developer is a co-general partner (if a limited partnership) or a managing member (if a limited liability company), and, in any case, possesses not less than a 50% interest in the entity; and (2) if, in the reasonable determination of the Agency, the proposed reconstituted Developer is comparable in all material respects (including experience, character and financial capability) to the Developer. Any such change (or assignment of this Agreement in connection therewith) shall be by instruments satisfactory to the Agency's Executive Director, and be subject to the approval by the Agency's Board of Directors of evidence of the proposed assignee's qualifications to meet the obligations of the Developer under this Agreement. Developer shall promptly notify the Agency of any and all changes whatsoever in the identity of the parties in control of the Developer or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information.

V. Condition of Property

The Developer will assume the full and complete responsibility to make all investigations of surface and subsurface conditions as may be necessary or appropriate and to evaluate the suitability of the Property for the proposed Project. Neither the Agency nor the County shall make any representations or warranties concerning the Property, its suitability for the use intended by the Developer, or the surface or subsurface conditions of the Property.

Agreement, the Developer shall require each and all of Developer's Designees responsible for the work under this Agreement with whom Developer enters into a written contract for such work to maintain, in full force and effect, statutory workers' compensation insurance coverage and a commercial general liability policy in the amount of at least One Million Dollars (\$1,000,000) combined single limit policy. Prior to entry on the Property, the Developer shall cause Developer's Designees with whom Developer enters into a written contract for such work to provide certificates evidencing such coverage and naming the Agency as an insured, as its interests may appear; and,

- E. That Developer shall not have any interest in the Property or be entitled to any reimbursement or repayment for any Work performed upon the Property pursuant to this Agreement; and,
- F. The Developer shall take all necessary precautions to prevent the import and/or release into the environment of any hazardous materials which are imported to, in, on or under the Property during the performance of the Work. If hazardous materials are imported onto the Property as a result of the performance of the Work, the Developer shall be solely responsible for removing such imported hazardous materials in conformance with all governmental requirements. The Developer shall report to the Agency, as soon as possible after each incident, any unusual or potentially important incidents with respect to the environmental condition of the Property; and,
- G. The Developer shall obtain and maintain all governmental permits and approvals required for the Work conducted under this Agreement and shall comply with all statutes, ordinances, rules, regulations, orders and requirements now in effect or that become effective during the term of this Agreement applicable to its sampling and other activities pursuant to the access granted by this Agreement.
- H. The Developer shall initiate the process for the necessary entitlements required for the Project. This includes performing any necessary studies and or plans required for the entitlement process.

VII. Indemnity

Developer shall indemnify and hold harmless the Agency and County of Riverside ("County"), their elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Developer, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of Developer, its officers, agents, employees, subcontractors, agents or representatives from this Agreement. Developer shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Agency and/or County of Riverside, their

elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by Developer, Developer shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of Agency; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Developer's indemnification to Agency as set forth herein.

Developer's obligation hereunder shall be satisfied when Developer has provided to Agency the appropriate form of dismissal relieving Agency from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe Developer's obligations to indemnify and hold harmless the Agency herein from third party claims.

In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the Developer from indemnifying the Agency and/or County of Riverside to the fullest extent allowed by law.

VIII. Default and Remedies

(a) Failure by either party to negotiate in good faith as provided in this Agreement shall constitute an event of default under this Agreement. The non-defaulting party shall give written notice of a default to the defaulting party, specifying the nature of the default and the required action to cure the default. If a default remains uncured fifteen (15) days after receipt by the defaulting party of such notice, the non-defaulting Party may exercise the remedies set forth in subsection (b).

(b) Remedies.

(1) Agency Default. In the event of an uncured default by the Agency under this Agreement, the Developer may elect the following remedies: (i) terminate this Agreement in which case following such termination, neither party shall have any further right, remedy or obligation under this Agreement; or (ii) seek specific performance of the exclusive negotiating obligations of the Agency under this Agreement. Developer's remedy of specific performance shall mean only that if the Agency breaches its duty of negotiating in good faith or negotiating exclusively with Developer, that Developer may seek appropriate order requiring the Agency to cease or refrain from negotiating with any such third party until the end of the Negotiating Period.

(2) Developer Default. In the event of an uncured default by the Developer under this Agreement, the Agency shall be entitled to terminate this Agreement. Following such

IX. Developer Employees and Liabilities

It is understood that persons engaged or employed by Developer as employees, agents, or independent contractors shall be engaged or employed by Developer and not by the Agency. Developer alone is responsible for their work, direction, compensation and personal conduct. Nothing included in any provision of this Agreement shall impose any liability or duty upon the Agency to persons, firms, or corporations employed or engaged by Developer in any capacity whatsoever, or make the Agency liable to any such persons, firms, or corporations, or to any government, for the acts, omissions, liabilities, obligations, and taxes, of whatsoever nature, of Developer or of its employees, agents, or independent contractors.

X. Non-Recourse to Agents

No member, official, employee, agent, or consultant of any Party to this Agreement shall be personally liable to any other Party, or any successor in interest or person claiming by, through or under any Party, in the event of any default or breach, or for or on account of any amount which may be or become due, or in any claim, cause or obligation whatsoever under the terms of this Agreement.

XI. Actions By the Agency

The Executive Director of the Agency or his or her designee(s) are authorized to take such ministerial actions as may be necessary or appropriate to implement the terms, provisions, and conditions of this Agreement as it may be amended from time to time by Agency.

XII. Real Estate Commissions

The Agency shall not be liable for any real estate commissions or brokerage fees which may arise herefrom. The Agency and Developer each represents that it has engaged no broker, agent or finder in connection with this transaction, and each party agrees to hold the other party harmless from any claim by any broker, agent or finder which it has retained.

XIII. Limits of this Agreement

If the negotiations hereunder culminate in a DDA, such DDA will become effective only after and if it has been considered and approved by the Agency Board of Directors and the County Board of Supervisors after public hearing, as required by law.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

By its execution of this Agreement, the Agency is not committing itself to or agreeing to undertake: (i) disposition of the Property (or any portion thereof) to the Developer; or (ii) any other acts or activities requiring the subsequent independent exercise of discretion by the Agency, the County or any agency or department thereof. The parties recognize that one or more of the conditions to the Developer's proposal set forth herein may fail to be met as a result of subsequent studies, reviews and proceedings involving the exercise of discretion by the Agency, the County or any agency or department thereof.

This Agreement does not constitute a disposition of property or exercise of control over property by the Agency or the County and does not require a public hearing. Execution of this Agreement by the Agency is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the Agency Board of Directors and the County Board of Supervisors as to the Entitlements and any DDA and all proceedings and decisions in connection therewith. By executing this Agreement, Developer acknowledges that the Agency and the County have no obligation to approve the Entitlements or a DDA or to take any other discretionary action relating to the Developer's proposal.

The Developer shall not be entitled to reimbursement for its direct costs (or any portion thereof) other than those costs outlined in Exhibit C.

XIV. Need for DDA

The parties acknowledge and agree that this Agreement is for the sole purpose of stating the intention of the parties to negotiate and enter into a DDA. The parties have not reached agreement on the matters related to the redevelopment of the Property, and do not intend to be bound until a final written DDA is executed by both parties. In the event the final, written DDA is not executed by both parties within the time provided in Section I, this Agreement shall automatically terminate, and be of no further force or effect, unless extended by action of the Agency and Developer.

The Agency's acknowledgment of this Agreement is merely an agreement to enter into a period of negotiations according to the concepts presented herein, reserving final discretion and approval by the Board of Directors of the Agency.

XV. Insurance

Coincident with the execution of this Agreement by Developer, Developer shall procure and keep in full force and effect during the continuance of this Agreement, the following insurance policies:

- a) Comprehensive General Liability. General public liability and property damage insurance issued by a reliable insurance company authorized to do business in the State of California. Such policy of public liability and property damage insurance shall be in an amount of not less than One Million Dollars (\$1,000,000) per person for liability insurance and Five Hundred Thousand Dollars (\$500,000) for property damage. A combined single limit policy with aggregate limits in of One Million Dollars (\$1,000,000) will be considered equivalent to the required minimum limits.

The insurance coverage contemplated by the provisions of this section not intended to include that coverage which is contained in an error and omissions policy. Agency shall be named additionally insured.

- b) Worker's Compensation Insurance. Worker's Compensation Insurance to the established California legal limits. Developer shall, deliver a copy of said policies to the Executive Director with an endorsement or attached rider whereby it is provided that, in the event of expiration or proposed cancellation of such policy for any reason whatsoever, Agency shall be notified by registered mail or certified mail, postage prepaid, return receipt requested, not less than thirty (30) days before expiration or cancellation is effective.

XVI. Authority to Execute

The persons executing this Agreement or exhibits attached hereto on behalf of the parties to this Agreement hereby warrant and represent that they have the authority to execute this Agreement and warrant and represent that they have the authority to bind the respective parties to this Agreement to the performance of its obligations hereunder.

XVII. Notices

Any notice to any of the parties required or permitted under this Agreement shall be delivered by facsimile transmission together with delivery by a nationally recognized "overnight" delivery service, addressed to the other party as follows:

AGENCY: Redevelopment Agency for the
County of Riverside
Attention: Emilio Ramirez, Assistant Director - Housing
3403 Tenth Street, Suite 500
Riverside, CA 92501
Telephone: (951) 955-3418
Facsimile: (951) 955-3426

DEVELOPER: Urban Housing Communities LLC, a California limited liability company
Attention: John Bigley, Chief Operating Officer
200 E. Fourth Street, Suite #205
Santa Ana, CA 92705
Telephone: (714) 835-3955
Facsimile: (714) 835-3275

XVIII. Entire Agreement

This Agreement constitutes the entire agreement of the parties regarding the subject matter of this Agreement.

XIX. Severability

In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

XX. Waiver.

Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

XXI. Jurisdiction and Venue.

Any action at law or in equity arising under this Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the consolidated Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

XXII. Interpretation and Governing Law.

This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

XX. Counterparts

This Agreement may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147 -
Thank you.

10/13/2010, File No: RD4-10-005
Middleton Crossings

IN WITNESS WHEREOF, AGENCY and DEVELOPER have executed this Agreement as of
the date first above written.

AGENCY
Redevelopment Agency for the
County of Riverside

DEVELOPER
Urban Housing Communities LLC,
a California limited liability company

By: Marion Ashley By: John Bigley
Marion Ashley John Bigley
Chairman, Board of Directors Chief Operating Officer

APPROVED AS TO FORM:
PAMELA J. WALLS
AGENCY Counsel

By: Anita Willis
Deputy, Anita Willis

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: Deputy
Deputy

Exhibit B

Schedule of Performance

	Timeline
Board consideration of ENA/Pre-development agreement	December-2010
Board consideration of DDA	December-2011
Planning Schedule	
Submit for GIS	January-2011
Approval of GIS	February-2011
Submit to Planning (Major Conditional Use Permit, Zone Change, Parcel Map, and Variance)	March-2011
Review and Rebsubmittal of any Changes	May-2011
Review Committee Meeting	June-2011
Preliminary Review Meeting	July-2011
Environmental Assessment Initiated	August-2011
Environmental Review Completed	December-2011
Applicant/Staff Meeting	January-2012
Community Meeting	Continuous
CEQA Circulated for Public Review/Comment (30 days)	March-2012
Final Resolution/ Publish CEQA	April-2012
Planning Commission/Board approval of entitlements	May-2012
Financing	
Construction and Perm Loan Commitments	May-2012
MHP Application (or Replacement Source)	TBD
MHP Award	TBD
Tax Credit Application	May-2012
CDLAC Application	May-2012
TCAC/CDLAC Awards	July-2012
Issuance of bonds/syndication of credits (90 days from CDLAC award)	Oct-2012
AHP Application	July-2012
AHP Award	October-2012
*Financing Dates are subject to change based on funding source	
Construction	
Start construction drawings	May-2012
50% completion construction drawings	July-2012
Complete construction drawings	September-2012
Submit construction drawings - Plan check (3 months)	June-2012
Secure building permits	October-2012
Construction Start	November-2012
Construction Completion	December-2013
Placed In Service/Lease up/stabilization	June-2014

Exhibit C

Pre-development Budget

Description	Amount
Appraisal	\$ 4,000
Architect	\$ 48,452
Archeological	\$ 11,610
Biological	\$ 12,080
Civil Engineering	\$168,256
Cultural Resources	\$ 3,600
Entitlement Review Fees	\$163,058
Phase I/Phase II	\$ 38,331
Geotechnical/Soils	\$ 23,800
Landscape Architect	\$ 30,000
Market Study	\$ 14,000
Noise and Air Study	\$ 11,800
Traffic Study	\$ 18,000
Solar Credit Application	\$ 1,000
Traffic Study	\$ 34,700
Utilities	\$ 10,000
Property Maintenance	\$ 5,313
Contingency	<u>\$ 65,000</u>
Total Loan	\$645,000



MEMORANDUM

RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY

Robert Field
Assistant County Executive Officer/EDA

TO: Kecia Harper-Ihem, Clerk of the Board

FROM: Bonnie Perez, Real Property Coordinator
Real Property Division

DATE: August 9, 2011

SUBJECT: Middleton & 66th Project
Grant Deed

Attached please find the original grant deed for the Middleton & 66th Project, Agenda Number 4.2, dated January 11, 2011.

If you have any questions, please email or call me at x52359. Thank you

Attachment

2011 AUG 30 PM 5:53

2011-8-10 9245

RECEIVED RIVERSIDE COUNTY
CLERK / BOARD OF SUPERVISORS
2011 AUG 30 PM 2:28

Lawyers Title

Recorded at request of and return to:
Redevelopment Agency for the
County of Riverside
P.O. Box 1180
Riverside, California 92502-1180
Attn: Real Estate Division

WITH TAX STATEMENTS

FREE RECORDING

This instrument is for the benefit of the
Redevelopment Agency for the County
of Riverside, and is entitled to be
recorded without fee.
(Govt. Code 6103)

DOC # 2011-0308152

07/14/2011 08:00 AM Fees: \$0.00

Page 1 of 5

Recorded in Official Records

County of Riverside

Larry W. Ward

Assessor, County Clerk & Recorder

**This document was electronically submitted
to the County of Riverside for recording**
Received by: SGOMEZ

Project: MIDDLETON & 66TH PROJECT
APN: 751-160-004 -

751-160-004-8

610673069
TEA-058-170

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MARGARITA RAMIREZ AND MARIA ELENA ESCOBEDO, co- administrators of the
Estate of Rosa Guerra

GRANT(S) to the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a
public body, corporate and politic organized and existing under, and by virtue of the State
of California, described as:

See Exhibits "A" attached hereto and made a part hereof

Date: 3-14-11

By: Margarita Ramirez
MARGARITA RAMIREZ

By: _____
MARIA ELENA ESCOBEDO

State of California)
County of RIVERSIDE

Signed IN Counterpart

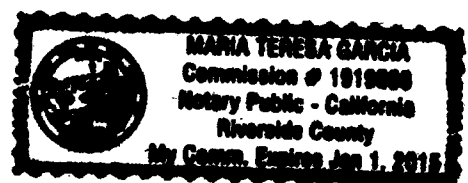
On 3-14-11 before me, MARIA TERESA GARCIA, Notary Public, personally
appeared MARGARITA RAMIREZ, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that
by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Maria Teresa Garcia (Seal)

MAIL TAX STATEMENTS AS DIRECTED ABOVE



Lawyers Title

Recorded at request of and return to:
Redevelopment Agency for the
County of Riverside
P.O. Box 1180
Riverside, California 92502-1180
Attn: Real Estate Division

WITH TAX STATEMENTS

FREE RECORDING

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(Govt. Code 6103)

Project: MIDDLETON & 66TH PROJECT
APN: 751-160-004 -

751-160-004-8

610673069
TEA-058-170

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MARGARITA RAMIREZ AND MARIA ELENA ESCOBEDO, co- administrators of the
Estate of Rosa Guerra

GRANT(S) to the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a
public body, corporate and politic organized and existing under, and by virtue of the State
of California, described as:

See Exhibits "A" attached hereto and made a part hereof

Date:

3-14-11

By: Margarita Ramirez
MARGARITA RAMIREZ

By:

MARIA ELENA ESCOBEDO

State of California)

County of RIVERSIDE

Signed IN Counterpart

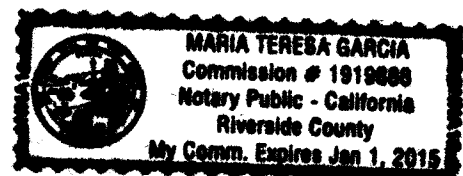
On 3-14-11 before me, MARIA TERESA GARCIA, Notary Public, personally
appeared MARGARITA RAMIREZ, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that
by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

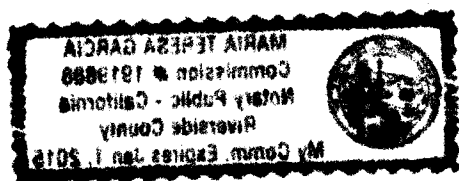
WITNESS my hand and official seal.

Signature Maria Teresa Garcia (Seal)

MAIL TAX STATEMENTS AS DIRECTED ABOVE



RV
7:39
3:39



Recorded at request of and return to:
Redevelopment Agency for the
County of Riverside
P.O. Box 1180
Riverside, California 92502-1180
Attn: Real Estate Division

FREE RECORDING

This instrument is for the benefit of the
Redevelopment Agency for the County
of Riverside, and is entitled to be
recorded without fee.
(Govt. Code 6103)

Project: MIDDLETON & 66TH PROJECT
APN: 751-160-004

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MARGARITA RAMIREZ AND MARIA ELENA ESCOBEDO, co- administrators of the
Estate of Rosa Guerra

GRANT(S) to the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a
public body, corporate and politic organized and existing under, and by virtue of the State
of California, described as:

See Exhibits "A" attached hereto and made a part hereof

Date: 6-10-11

By: Margarita Ramirez
MARGARITA RAMIREZ

By: Maria Elena Escobedo
MARIA ELENA ESCOBEDO

State of California)
County of Riverside

Signed IN Counterpart

On June 23, 2011 before me, Mary M. Haas, Notary Public, personally
appeared MARIA ELENA ESCOBEDO, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that
by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Mary M. Haas (Seal)



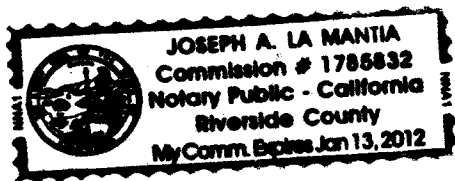
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Riverside

On June 10, 2011 before me, Joseph A. LaMantia, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Margarita Ramirez
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

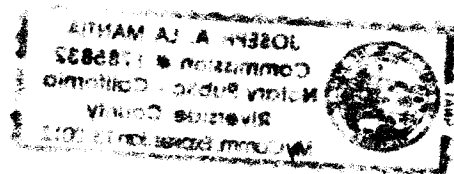
RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here



GOVERNMENT CODE 27361.7

I CERTIFY UNDER PENALTY OF PERJURY THAT THE NOTARY SEAL ON
THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS
FOLLOWS:

NAME OF NOTARY: Joseph A. La Mantia

COMMISSION NO: 1785832

PLACE OF EXECUTION: Riverside, CA

DATE COMMISSION EXPIRES: Jan 13, 2012

MANUFACTURER/VENDER NO: NNAY

SIGNATURE: Nicole G. Huff DATE: 7-14-11

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PENALTY OF PERJURY THAT THE NOTARY SEAL ON
THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS
FOLLOWS:

NAME OF NOTARY: Joseph A. La Mantia

COMMISSION NO: 1785832

PLACE OF EXECUTION: Riverside, CA

DATE COMMISSION EXPIRES: Jan 13, 2012


MANUFACTURER/VENDER NO: NNAY

SIGNATURE: Nicole G. Huff DATE: 7-14-11

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the within deed to the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic, is hereby accepted by order of the Board of Directors on the date below and the grantee consents to the recordation thereof by its duly authorized officer.

Date: 7-11-11

By: 
Robert Field, Executive Director



LARRY W. WARD
COUNTY OF RIVERSIDE
ASSESSOR-COUNTY CLERK-RECORDER

Recorder
P.O. Box 751
Riverside, CA 92502-0751
(951) 486-7000

Website: www.riversideacr.com

DOCUMENTARY TRANSFER TAX AFFIDAVIT

WARNING

ANY PERSON WHO MAKES ANY MATERIAL MISREPRESENTATION OF FACT FOR THE PURPOSE OF AVOIDING ALL OR ANY PART OF THE DOCUMENTARY TRANSFER TAX IS GUILTY OF A MISDEMEANOR UNDER SECTION 5 OF ORDINANCE 516 OF THE COUNTY OF RIVERSIDE AND IS SUBJECT TO PROSECUTION FOR SUCH OFFENSE.

ASSESSOR'S PARCEL NO. _____ I declare that the documentary transfer tax for this
Property Address: 8550 Midway St, Thermal transaction is: \$ 0 **Exempt**

If this transaction is exempt from Documentary Transfer Tax, the reason must be identified below.

I CLAIM THAT THIS TRANSACTION IS EXEMPT FROM DOCUMENTARY TRANSFER TAX BECAUSE: (The Sections listed below are taken from the Revenue and Taxation Code. Please check one or explain in "Other".)

1. ___ Section 11911. The document is a lease for a term of less than thirty-five (35) years (including options).
2. ___ Section 11911. The easement is not perpetual, permanent, or for life.
3. ___ Section 11921. The instrument was given to secure a debt.
4. ☒ Section 11922. The conveyance is to a governmental entity or political subdivision.
5. ___ Section 11925. The transfer is between individuals and a legal entity, or between legal entities, and does not change the proportional interests held.
6. ___ Section 11926. The instrument is from a trustor to a beneficiary, in lieu of foreclosure, and no additional consideration was paid.
7. ___ Section 11926. The grantee is the foreclosing beneficiary and the consideration paid by the foreclosing beneficiary does not exceed the unpaid debt.
8. ___ Section 11927. The conveyance relates to a dissolution of marriage or legal separation.
9. ___ Section 11930. The conveyance is an *inter vivos* gift* or a transfer by death.
*Please be aware that information stated on this document may be given to and used by governmental agencies, including the Internal Revenue Service. Also, certain gifts in excess of the annual Federal gift tax exemption may trigger a Federal Gift Tax. In such cases, the Transferor (donor/grantor) may be required to file Form 709 (Federal Gift Tax Return) with the Internal Revenue Service.
10. ___ Section 11930. The conveyance is to the grantor's revocable living trust.
11. ___ Other (Include explanation and authority) _____

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Executed this 10 day of March, 2011 at Riverside CA
City State

Signature of Affiant: [Signature]
Name of Firm (if applicable): Redevelopment Agency for the County of Riverside

Printed Name of Affiant: Hector Casillas
Address of Affiant: 3403 10th St, Ste 500, Riverside
(951) 955-8395 CA 92501
Telephone Number of Affiant (including area code)

This form is subject to the California Public Records Act (Government Code 6250 et. seq.)

For Recorder's Use:

Affix PCOR Label Here

MEMORANDUM

RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY

Robert Field
Assistant County Executive Officer/EDA

TO: Kecia Harper-Ihem, Clerk of the Board

FROM: Bonnie Perez, Real Property Coordinator
Real Property Division

DATE: August 30, 2011

SUBJECT: Middleton & 66th Project
Title Policy

Attached please find the original Title Policy for the Middleton & 66th Project. This transaction was approved on January 11, 2011, Item #4.2.

If you have any questions, please email or call me at x52359. Thank you.

501/283-1 6W 1:20

2011-9-10 9:283



Lawyers Title Company
3480 Vine Street Suite 100
Riverside, CA 92507
Phone: (951) 774-0825
Fax: ()

August 9, 2011

Redevelopment Agency for the
County of Riverside
P.O. Box 1180
Riverside, CA 92502-1180
Attn: Real Estate Division

YOUR REF: 7606578
OUR NO.: 610673069
Property: 85750 Middleton Street, Thermal, California

Dear Customer:

On behalf of Lawyers Title - IE, please find your ALTA Owners 2006 Policy of Title Insurance.

NOTE: Your policy is a computer generated product. Although lacking color and "live" signatures, it is the original of your policy.

Thank you for selecting Lawyers Title - IE for your transactional management needs.

Enclosure

This policy has been issued through the offices of



Lawyers Title Company
3480 Vine Street Suite 100
Riverside, CA 92507
Phone: (951) 774-0825
Fax: ()

We wish to take this opportunity to thank you for allowing us to assist you in your recent real estate transaction. We appreciate your confidence in us and take pride in our ability to service all your title needs.

The enclosed title policy was carefully prepared in accordance with your agent's instruction and should be kept in a safe place with your other important documents as it continues to protect you as long as you have an interest in the subject real property.

We hope we can be of assistance to you in all your future real estate transactions.

Cordially,



James M. John

Effective Date: 5/1/2008

Fidelity National Financial, Inc.

Privacy Statement

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Effective Date: 5/1/2008

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access To Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

OWNER'S POLICY OF TITLE INSURANCE

Issued by

Commonwealth Land Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, Commonwealth Land Title Insurance Company, a Nebraska corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or

(d) environmental protection

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

IN WITNESS WHEREOF, **COMMONWEALTH LAND TITLE INSURANCE COMPANY** has caused this policy to be signed and sealed by its duly authorized officers.

Lawyers Title, A Division of Commonwealth
Land Title Insurance Company

Natalie Bombardieri

Countersigned



Commonwealth Land Title Insurance Company

By:

James M. P. L.

President

ATTEST

[Signature]

Secretary

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Insured": The Insured named in Schedule A.
 - (i) The term "Insured" also includes
 - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
 - (C) successors to an Insured by its conversion to another kind of Entity;
 - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
 - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
 - (2) if the grantee wholly owns the named Insured,
 - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
 - (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
 - (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
- (e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions,

at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%; and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration



Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

**15. LIABILITY LIMITED TO THIS POLICY;
POLICY ENTIRE CONTRACT**

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In

interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this

policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at Fidelity National Title Insurance as successor in interest to Commonwealth Land Title Insurance Company Attn: Claims Department, Post Office Box 45023, Jacksonville, Florida 32232-5023.

Commonwealth Land Title Insurance Company

SCHEDULE A

Name and Address of Title Insurance Company: Lawyers Title - IE
3480 Vine Street Suite 100
Riverside, CA 92507

Policy/File No.: 610673069

Address Reference: 85750 Middleton Street, Thermal, California

Amount of Insurance: \$325,000.00

Premium: \$1,075.00

Endorsement Fees: \$None

Date of Policy: July 14, 2011 at 8:00 AM

1. Name of Insured:
Redevelopment Agency for the County of Riverside, a Public Body, Corporate and Politic
Organized and Existing under, and by Virtue of the State of California
2. The estate or interest in the Land that is insured by this policy is:
A FEE as to Parcel 1;
AN EASEMENT more fully described below as to Parcel 2
3. Title is vested in:
Redevelopment Agency for the County of Riverside, a Public Body, Corporate and Politic
Organized and Existing under, and by Virtue of the State of California
4. The Land referred to in this policy is described as follows:
See Exhibit A attached hereto and made a part hereof.

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED

ALTA Owner's Policy (6/17/06)

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EXHIBIT A
LEGAL DESCRIPTION

All that certain real property situated in the County of Riverside, State of California, described as follows:

Parcel 1:

The Northwestern half of Lot 9 of the "Subdivision of a portion of Section 17, Township 7 South, Range 8 East, San Bernardino Base and Meridian, in the County of Riverside, State of California, as shown by map of file in Book 10, Page 23 of Maps, Riverside County Records; the Southeasterly line of said Northwestern half being parallel with the Northwestern line of said Lot.

Parcel 2:

A strip of land 10 feet wide, for road purposes, described as follows: Beginning at the most Southerly corner of Lot 10 of the "Subdivision of a portion of Section 17, Township 7 South, Range 8 East, San Bernardino Base and Meridian, as shown by Map on file in Book 10, Page 23 of Maps, Riverside County Records; thence Northwesterly, along the Southwesterly line of said Lot, 350 feet; thence at a right angle Northeasterly 10 feet; thence at a right angle Southeasterly, parallel with the Southwesterly line of said Lot, 350 feet, to the Southeasterly line thereof; thence Southwesterly, along the Southeasterly line of said Lot 10 feet, to the point of beginning.

APN: 751-160-004

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses that arise by reason of:

Part I

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public records.
2. Any facts, rights, interests or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

SCHEDULE B
Part II

- A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, to be levied for the fiscal year 2011 – 2012 which are a lien not yet payable.
- B. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.
1. Water rights, claims or title to water, whether or not shown by the public records.
2. An easement for the purpose shown below and rights incidental thereto as set forth in a document
- Purpose: build and maintain an underground pipe lines and necessary devices and appurtenances
- Recorded: March 17, 1972 as Instrument No. 35949 of Official Records
- Affects: said land more particularly described therein.
3. The fact that said land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document.
- Redevelopment Agency: California Community Redevelopment Law
- Recorded: February 6, 2009 as Instrument No. 2009-0057439 of Official Records

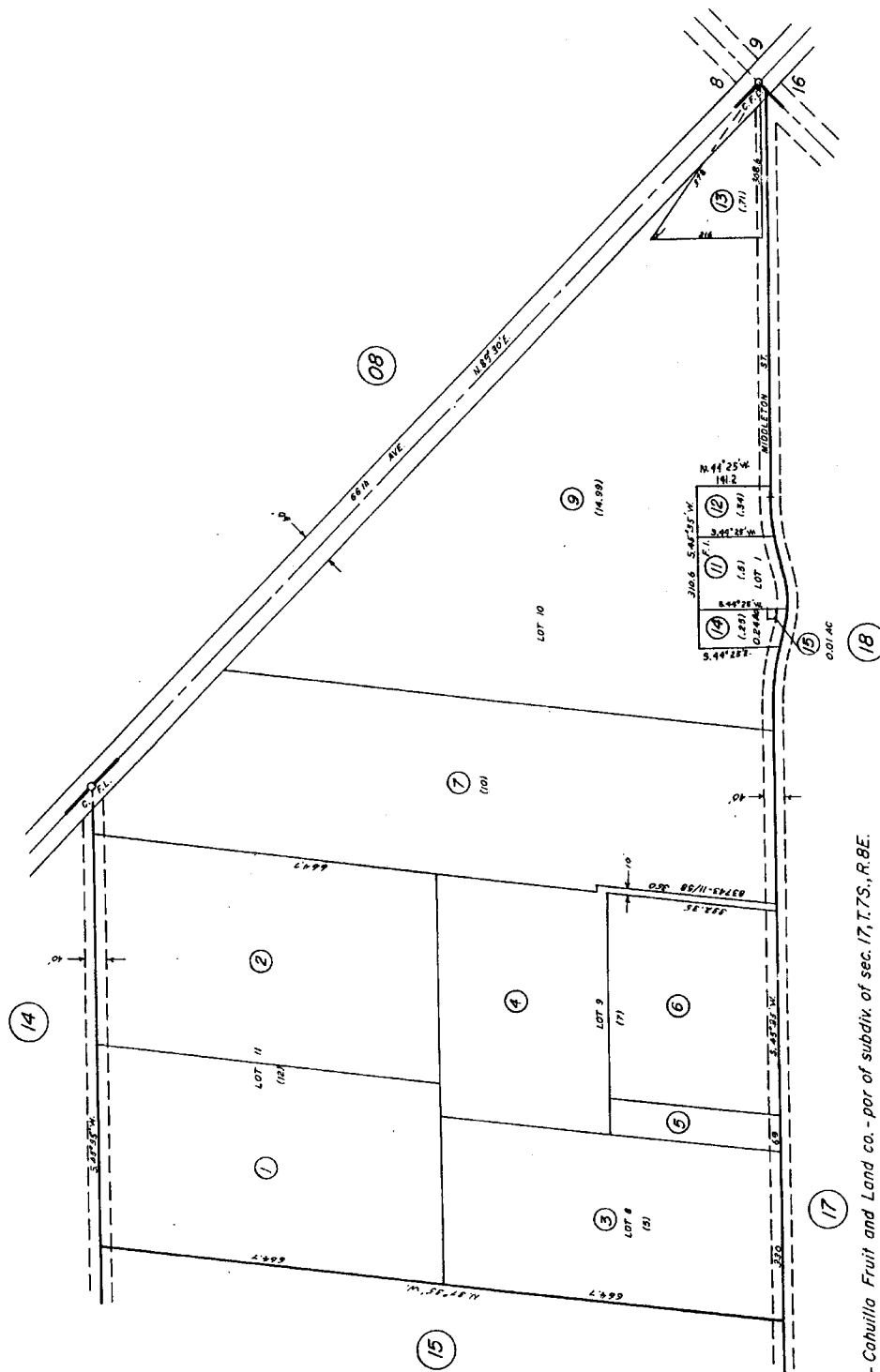
END OF SCHEDULE B

Endorsements: NONE

25-52

T. C. A. 5854

por of NE. 1/4 SEC. 17, T.7S., R.8E.

[illegible]

M.R. 10/23-Cahuilla Fruit and Land co. - por of subdiv. of sec. 17, T.7S., R.8E.

60' Rd. per inst.
32692 4/59

Data: G.L.O.; 1550-7/49

JAN. 1967

ASSESSOR'S MAP BK. 75/ PG. 16
RIVERSIDE COUNTY, CALIF.
55